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Revere Copper Company, Boston

MEMORIAL

UPON THE FREE ADMISSION OF FOREIGN COPPER ORES.

To the Honorable the Committee of Ways and Means of the House of Representatives of the United States:—

An effort is being made, by parties interested in mining on Lake Superior and in California, to have an additional duty imposed upon the importation of foreign Copper ores. This movement we shall oppose by every proper means within our power. We go still further, and urge *the removal of the duty with which it is now charged.*

The business of smelting Copper ore was begun in this country a little more than twenty years ago. At that time, England was the only country where ores were carried to be smelted. They were subject to a duty *there* as follows:—

"Copper ore containing not more than 15 % Copper per ton, £ 3.	
" " " 20 " " 4.10	
" " " more than 20 " " 6.	

to which should be added 5 per cent. upon the net amount of duties."

While *here* they were then admitted free.

Since that time the duties *there* have been removed entirely; and *here* the change has been in the other direction; they are now charged with 5 per cent. ad valorem, first imposed by the tariff of 1861.

England has been seeking to draw the vast trade of Chili and Peru to herself, by removing every obstacle in the way of an easy and attractive remittance for the commodities they must obtain from other countries, and the result is that, to-day, the considerable trade which had grown up between this country and the South West Coast is substantially at an end.

The following are the exports thence, reduced to pure Copper:—

In 1861, to the U. S.,	7,908,600 lbs.,	to England,	73,509,200 lbs.
1862,	“ 8,891,000	“ “	76,852,900 “
1863,	“ 4,983,800	“ “	55,275,000 “
1864,	“ 7,396,800	“ “	84,968,700 “
1865,	“ 3,674,600	“ “	93,556,200 “

No ores, nor anything else in fact, are *required* in payment of our deliveries to them, for the reason that we now make no such deliveries. A peculiar class of ores needed by the smelter here, so as to work our own, mined either in California or in the Atlantic States, to the best advantage, can only be obtained from Chili and Peru. We can smelt our own ores by themselves, but only at a greater cost. There is, as has been stated, no natural tendency of imports from those countries; what we do get must be specially ordered by the smelter, and paid for in money.

England is still the only country where Copper ores are carried to be smelted; she has pursued such a course as really to absorb this business to herself, and at the present time she controls, for this article, the markets of the world. Occasionally, however, efforts are made in other countries to compete with her. Smelting furnaces have been erected and the business carried on to a small extent, enough to exhibit the fact that ores may be carried to any other country in the world, but the United States, free of an import duty.

The annual production of the smelting furnaces in the United States is now about 12,000,000 pounds.

Their supply was obtained, for the year 1865, from the following sources:—

From California,	6,000,000 lbs.
“ Mines in the U. S. on the Atlantic,	2,000,000 “
“ Foreign countries, principally Chili,	4,000,000 “

Following the introduction of smelting into this country was the commencement of mining native Copper on Lake Superior.

The whole amount of money paid into the Companies formed for work in that part of the country is \$ 13,000,000

Of these Companies many have ceased work entirely, the payments to which had been 5,000,000

\$ 8,000,000

This amount has been paid at an average date of about ten years since ; assume the time to be a little more than that and compound it, the present cost of such payment would be \$ 16,000,000

Meanwhile, dividends in money have been returned to the amount of \$ 5,710,000, at an average date of not less than seven years since ; assume, therefore, the present value of these receipts to be 9,000,000

And the present investment costs about \$ 7,000,000

The Companies referred to above which have stopped work have not done so because of the unremunerative price of Copper, but solely in consequence of their inability to show any such hope of a product in Copper as would, under any circumstances, be likely to compensate for the assessments called for. An advance in the cost of working an unproductive mine has, in many cases, been the determining cause for closing it ; a decline in the price of Copper, never.

A mine producing any considerable quantity of Copper will go on for years calling with great regularity upon its stockholders for further payments, but its abandonment may never for once be contemplated. Witness the Isle Royale Mining Company. "This Company commenced mining on the south side of Portage Lake in the summer of 1852." In 1855, its office which had before been located in Washington, D. C., was removed to Boston. In a report of the Directors made at that time, they say "they have no doubt the mine will yield a handsome result from the profit of 1856, in the shape of a dividend." And it is interesting to observe how hopefully every succeeding season has pointed on to the future, until, in their last published report, after a period of fourteen years from the beginning of the enterprise, the Directors say, "as both the Isle Royale and Mabb's

Vein hold out good prospects, we look to good results for the present year," and then present the following statement.

Total net expenditures to April 1, 1863,* after deducting		
proceeds of Copper,		\$ 360,622.37
Expenditures from April 1, 1863, to Feb. 1, 1864,		217,338.71
" " Feb. 1, 1864, to Feb. 1, 1865,		411,356.14
" " Feb. 1, 1865, to Feb. 1, 1866,		332,588.59
Receipts from sales of Copper in 1863,		\$ 180,246.23
" " " 1864,		264,866.47
" " " 1865,		216,886.04

There are really three classes of mines in the list of something more than one hundred which have been worked.

1st. Such as have been so nearly unproductive as to be finally given up, numbering thus far seventy.

2d. Those which have actually paid a return to their stockholders, as follows:—

Pittsburgh & Boston Min'g Co. ass'ts,	\$ 110,000	div'ds,	\$ 2,160,000
Minesota Mining Co.	366,000	"	1,760,000
Quincy Mining Co.	200,000	"	700,000
Pewabic Mining Co.	75,000	"	380,000
National Mining Co.	110,000	"	280,000
Franklin Mining Co.	170,000	"	220,000
Central Mining Co.	100,000	"	150,000
Copper Falls Mining Co.	490,000	1st div.	60,000
Total,	\$ 1,621,000		\$ 5,710,000

3d. The balance; consisting of new enterprises not sufficiently developed to indicate what their future is likely to be; others producing copper enough to keep up the courage of their stockholders, but which never have and never will, under any circumstances, pay anything back to them; and a few, a very few, increasing their yield by richer developments or by improved machinery so materially as to be reckoned upon with certainty as soon to become dividend paying.

* When the office was removed to New York.

These enterprises have been started, the investments made, while there was no duty upon foreign ores ; and these dividends have been paid largely without any such aid.

The production of the Lake Superior mines has been as follows : —

1845,	tons of 2240 lbs. pure Copper,	11.88
1846,	“ “	25.79
1847,	“ “	213.38
1848,	“ “	460.85
1849,	“ “	672.10
1850,	“ “	572.10
1851,	“ “	779.03
1852,	“ “	791.94
1853,*	“ “	1,296.94
1854,†	pounds	7,000,000
1855,	“ “	7,000,000
1856,	“ “	8,000,000
1857,	“ “	8,000,000
1858,	“ “	8,000,000
1859,	“ “	8,000,000
1860,	“ “	13,000,000
1861,	“ “	15,000,000
1862,	“ “	15,000,000
1863,	“ “	14,000,000
1864,	“ “	13,000,000
1865,	“ “	12,000,000

The yield was largest in the years 1861 and 1862, and has fallen from the point reached then, 15,000,000 lbs., down to 12,000,000 lbs. in 1865.

In 1861, the Minesota Mining Company received 2,744,408 lbs.

1862	“	“	“	2,135,936	“
1863	“	“	“	1,634,885	“
1864	“	“	“	599,612	“
1865	“	“	“	426,806	“

* So far from Whitney's Metallic Wealth of the U. S.

† Estimated and generally accepted as correct.

Showing clearly that the enormously enhanced prices of 1863 and 1864 did not increase the yield at all, neither did the decline in 1865 decrease it. The material change in the total product being due *almost* entirely to the loss of the Minnesota vein; not wholly, however, as something is undoubtedly due to the lack of laborers experienced during that time.

The business of mining Copper ores, in California, is of quite recent origin. The first discoveries were made in 1860, but no considerable quantity was shipped thence until about two years later than that.

The shipments in 1863 contained 2,500,000 lbs. of Copper.

"	"	1864	"	4,500,000	"
"	"	1865	"	10,000,000	"

And it is stated, in a memorial prepared upon this very subject of a duty, by parties interested in mining there, that "the product in 1866 will be 60,000 tons of ore, containing, at 20 per cent., 12,000 tons of Copper."

Of the shipments in 1865, 6,000,000 lbs. came to the United States, and the balance, being the exact equivalent of what we received in ores from foreign countries, 4,000,000 lbs. went to England.

A protection is asked for by them upon that portion of those ores sent to the United States. No such benefit can be obtained upon that sent elsewhere. They already have an advantage over the South American ores to the extent of the export duty of 3 per cent. charged upon them.

The price of Ingot Copper in this market depends wholly upon the condition of the stock, as compared with the demand, *and not at all upon the cost of production.*

When the demand is greater than the production, then, as the additional quantity wanted must come from England, its *cost* fixes the price here.

So when the production is larger than the demand, as the surplus stock must go to England, *its value as an article of export* makes a price here for the time being.

Our first considerable exports were in 1860, when there was shipped away	6,000,000 lbs.
1861, ...	12,000,000 lbs.
1862, ...	1,000,000 lbs.

At that time, the Government came into the market as a very large consumer, so that since then we have had no surplus to provide for, and the whole market has been kept at an import price.

Now, however, the Government has ceased buying, and the consumption has fallen back to an amount, for the moment, smaller than before the war. The stock on hand at the present time is very large, and the accumulation of the Lake Superior mines during the winter months is close here; navigation on the Lakes generally opening about the 12th of May. It is certain that a large export must be made the present season before the market can be relieved. Under such circumstances, no duty upon an import can possibly help the Lake Superior interests, but it will damage the smelters just so far as the duty enters into the cost of their material.

Our position, therefore, as smelters, is simply this; we are, in a measure, compelled to use a certain quantity of foreign ores the more economically to work those obtained from our own mines; we only use as many of such foreign ores as will accomplish this purpose; the ores of our own mines are here, or come here from California naturally, in the usual course of trade, and at no greater cost than if taken to England for sale; the ores of Chili and Peru must be ordered here, they do not tend in this direction; we must now send our product, for a considerable period too we fear, to a foreign market; the cost of labor, fuel, and everything else that enters into the expense of extracting Copper from the ore is so greatly increased that we cannot hope to compete in the English market with any chance of success; it is not a question of how much we may gain, but really how little we shall lose, and this condition of things must continue until the trade and currency of this country are readjusted. The indirect tax, which we too are compelled to pay, is by no means a small item; but of this we do not complain; we are willing to bear cheerfully

our part of the burden incurred by the whole nation in a successful effort to establish it upon a sure and immovable foundation.

The Lake Superior mining interest seek to load us with an additional burden. If Copper is exported, a duty upon ores can do them no good whatever: ingot Copper that goes abroad at the present time, whether from the mines of Lake Superior or from ores smelted here, must inevitably entail a loss upon its production: but how will it help one to increase the loss of the other? If Copper is imported, then it is the duty upon ingots and bars that alone will benefit them: when the trade of the country is fully restored, and a demand created for the entire product of both the Lake Superior mines and the smelters of ore, we do not see how a duty *upon ores* will enhance the price, or the want of one reduce it.

The California mining interest, or rather that part of it engaged in this movement, as we understand it consists only of the representatives of the Union Mine of Copperopolis, promise a product the present year so large that all our smelting furnaces cannot, if employed wholly upon that, consume more than one-half of it. The balance must go elsewhere. Their object in asking for a duty upon foreign ores is of course for the effect it will have upon such as they offer for sale here, else why should they want it? Ought the smelters to be compelled to pay a higher rate for that part of the product of the mines of this country sold at home than foreigners to whom the residue must go, especially when we must, at times, resort to their market for our sales?

Other parties mining Copper ores in California, and those principally engaged in the same business in the Atlantic States, understand so clearly the need, and the value too, of such an admixture as we have described, that they favor our petition, rather than the other for a duty.

We therefore earnestly hope that the Committee may see the justice of our request; and find it possible, in revising the tariff, to admit foreign Copper ores free of duty.

Respectfully submitted,

S. T. SNOW,

AGENT OF THE REVERE COPPER COMPANY.

BOSTON, May 1, 1866.



(Dec., 1888, 20,000)

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